Saskatchewan Ministry of Environment

Environmental Assessment Branch

Annual Update 2011

This document provides a calendar year review of the Environmental Assessment Branch activities including policy initiatives and ongoing and completed environmental impact assessment reviews for 2011.

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MESSAGE FROM THE MINISTER OF ENVIRONMENT

The Ministry of Environment is committed to meeting the Government's direction of delivering excellence in public service and accountability in regulations and processes.

Aligning with this direction, the ministry is implementing a new, results-based model for environmental regulation that will improve protection of the environment and promote innovative new tools in environmental management.

The Environmental Assessment Branch has been working with stakeholders to develop a more streamlined approach to the environmental review process. This will better enable the ministry to maintain a balance in meeting its responsibility of protecting the environment, the public, aquatic life and wildlife, while keeping pace with Saskatchewan's growing economy. With an effective and efficient environmental process in place, there will be increased certainty and predictability for projects that are required to undergo an environmental assessment.

The 2011 Annual Update demonstrates the progress made by the Environmental Assessment Branch and identifies the steps moving forward.

Dustin Duncan
Minister

MESSAGE FROM THE OFFICE OF THE DEPUTY MINISTER

In 2011, the Environmental Assessment Branch (EAB) began a restructuring process to ensure the Ministry of Environment continues to carry out its mandate in a changing and growing economy. Restructuring is never an easy task, and amid the adjustments being made over the past year, the staff of the Environmental Assessment Branch continued to work effectively with stakeholders to protect Saskatchewan's water, air and natural resources.

An assessment of the Branch's business functions identified key areas of operations where improvements could be made. From this, the Branch has adopted a strategic vision that includes capacity development, regulatory development and applications management to align with the ministry's results-based regulation initiative.

Over the past year, EAB has made significant gains towards these goals. Staff training and development was key to ensuring that we continue to have highly trained and multi-skilled specialists in place who are capable of delivering a comprehensive and efficient review of developments. Participating in the government-wide Lean initiative resulted in adjustments to the environmental assessment application process. These adjustments will realize a more efficient and timely review of projects, resulting in fewer costly delays for industry. New guidelines for proposal development, the duty to consult, legislative amendments and other results-based regulatory changes were created to inform proponents of the branch's new structure and processes that support the amendments made to The Environmental Assessment Act.

Environmental assessment is a cornerstone to ensure that development in Saskatchewan advances in an environmentally responsible and sustainable manner. The strategic vision adopted by EAB in 2011, will assist the ministry in achieving its mandate of result-based regulations.

Liz Quarshie
Deputy Minister

Mark Wittrup
Assistant Deputy Minister

A MESSAGE FROM THE DIRECTOR

With the end of a successful year for EAB, we take this opportunity to reflect upon the challenges we faced in 2011, as well as our many accomplishments. Early in 2011, our Branch laid out a strategic vision for the future to support the ministry's move towards a results-based regime. Because of the commitment and demonstrated ability of EAB staff, we were able to meet the aggressive timelines set for this first order of transformation and we look forward to continuing along the path of improvement in 2012. From this report, you will learn about our restructuring process, policy developments and application reviews as well as other important information.

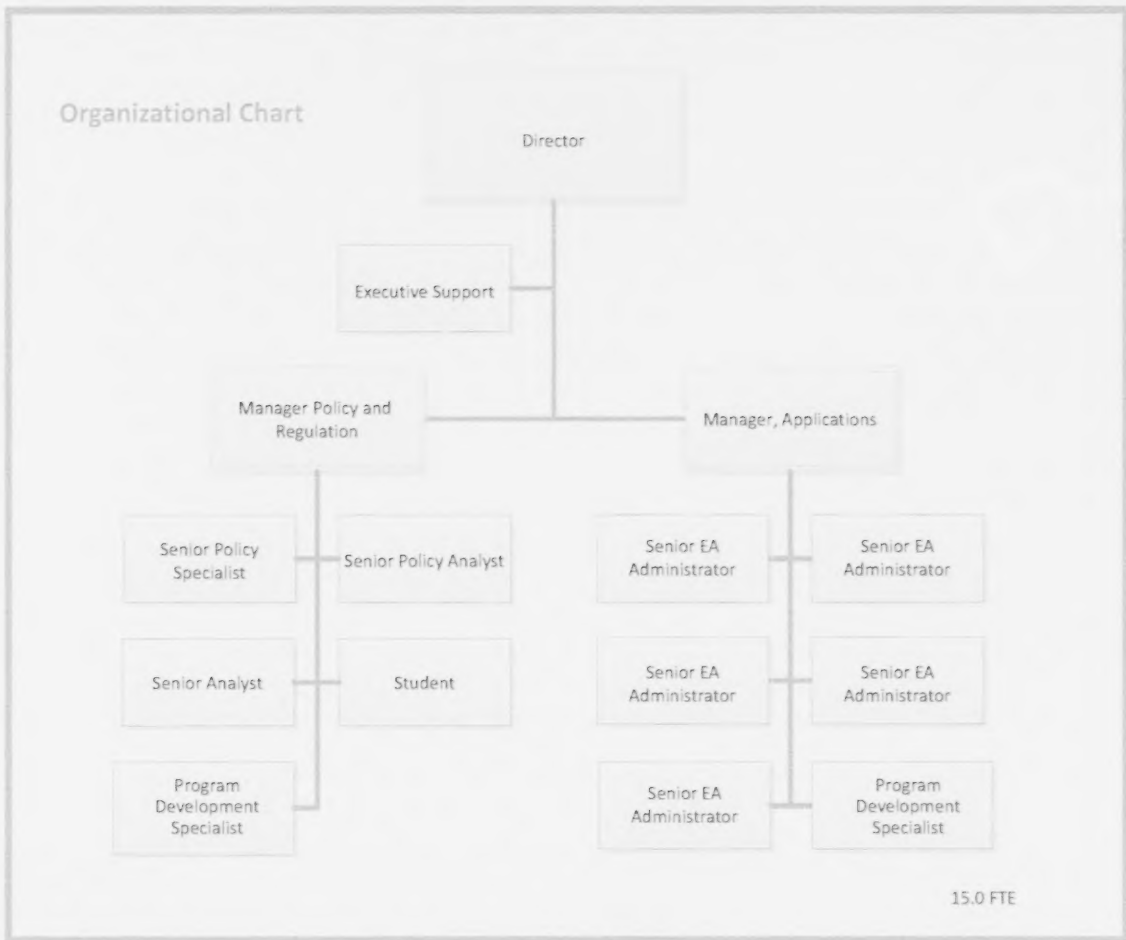
Tareq Al-Zabet
Director

ABOUT THE ENVIRONMENTAL ASSESSMENT BRANCH

Environmental Assessment (EA) has been a primary instrument for environmental management in Saskatchewan. In 1976, the program was introduced to provide a practical means of ensuring that economic development proceeds with adequate environmental safeguards, and in a manner that is understood and broadly accepted by the public. The Environmental Assessment Act, passed in 1980, formalized several aspects of the government's EA policy.

The Environmental Assessment Branch administers a government wide, multidisciplinary and integrated decision-making process for projects where significant environmental impacts are likely to occur. Environmental assessment takes place "upstream" of regulatory processes to ensure that all potentially significant impacts to the environment, which may result from proposed projects, are addressed early on. The day to day operations of the branch are handled by the staff, each bringing expertise from their various backgrounds.

Environmental Assessment Branch



MISSION

The Environmental Assessment Branch administers a timely and comprehensive assessment process for proposed developments that protects the environment and contributes to a growing and sustainable provincial economy by ensuring that adverse effects are minimized and adequate safeguards are in place.

GOALS

A comprehensive strategic assessment and analysis of the EAB business functions determined urgent priority areas for improvement, which included capacity building, regulatory development and applications management within a results-based framework.

Short-term Goals – To establish centers of competencies of highly-trained and multi-skilled specialists capable of delivering various sector reviews with fewer screened proposals and a shorter approval process, resulting in positive client feedback.

Long-term Goals – To provide better guidance to proponents, have a shorter processing time and faster decision-making from the ministry.

CAPACITY BUILDING

EAB focused on five key actions: Organizational restructuring, training, backup and support strategy, succession planning and Specific.Measurable. Attainable.Relevant.Time - Bound (S.M.A.R.T) planning.

A policy unit was created to align the branch with the ministry's results-based model and the Public Service renewal initiative. EAB received the Deputy Minister's Productivity Fund Award that funded training for EAB staff to develop and enhance skills, enabling them to take on new roles within the branch, improve efficiencies in their current work and assist with the transition towards results-based regulations. The fund enabled staff to participate in policy and leadership courses facilitated by the University of Regina. The training was made available to both the applications and policy units.

As part of ensuring consistency in assessments and to minimize delays, a new backup and support mechanism was instituted. It shifts reviews from sector-based to skill-based, and encourages team members to be knowledgeable of all ongoing assessments.

Each team member was tasked to develop a personal work plan identifying priority work, competency and learning objectives for 2011 that align with the Branch, ministry and government's objectives. To help ensure that the work plans addressed goals that were measurable, attainable and relevant, S.M.A.R.T training was provided by the Branch through Garven & Associates.

Organizational restructuring, work plan development, and staff training all play into successful succession planning and will help to ensure that the branch has qualified personnel for senior roles and for other key areas, such as technical and corporate knowledge, when a position becomes vacant.

APPLICATION MANAGEMENT

The Ministry of Environment is adopting a results-based model for environmental regulation that will improve protection of the environment while promoting innovative new tools in environmental management. The model focuses on required environmental outcomes and encourages innovation by making the proponent accountable to find the best way to achieve or exceed the required outcomes.

A number of actions were implemented to support results-based reform. They include an updated website, revised guidelines and the coordination of information services with the Client Services Office.

EAB has been involved in the ministry's Information Management and Technology (IM/IT) transformation project, which supports the results-based reform by introducing an integrated system for improved client service and project management. The application for an environmental assessment screening has been identified as one of the first applications to be introduced in the ministry's online application portal. EAB worked with a consultant to finalize the application's specific requirements for the first release of the online application system, and has been involved in user-testing of the application portal and the Customer Relationship Management (CRM) software for the development of the online system. This will result in improved quality of service to our clients and enhance our ability to efficiently manage environmental assessment applications.

In the ministry's move to a results-based model, the EA process was identified as an opportunity to improve program delivery. Because approximately 90% of EA applications are low-risk, non-developments and do not require an environmental impact assessment, the focus needed to shift to higher-risk developments, ensuring they receive the necessary time and attention, while moving through the system in a timely manner.

Lean Initiative

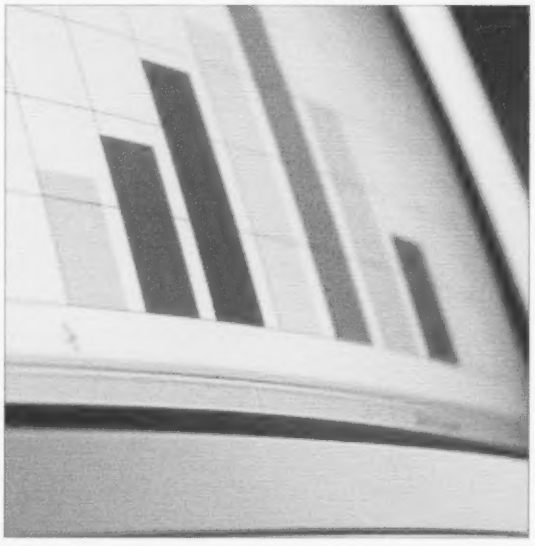
The key initiative undertaken was the review of the environmental assessment process through the Lean initiative. Lean is a set of principles, concepts and techniques designed to reduce waste in a process.

A value-stream mapping event identified the current-state and future-state of the environmental assessment process. The review focused on improving internal efficiencies, access to the review process for proponents and reducing cycle times for the screening process. The expected outcomes of Lean are:

- 30-40 % reduction in non-development proposals being screened as a result of improved guidance to proponents
- 45% reduction in time taken for proposals to go through the screening process.
- Reduction in time taken for environmental impact assessment review
- Improved guidance for proponents through standardized templates
- Increase in conditions management and follow-up on projects that focus on proponents' commitments and obligations stated in the EIS

The following are deliverables identified during the Lean initiative:

- Updated EA Website
- Self -screening Procedures and Technical Proposal Guidelines
- Oil and Gas Review Guidelines
- Terms of Reference Guidelines
- Proponent Consultation Guidelines
- Technical Review Guidelines

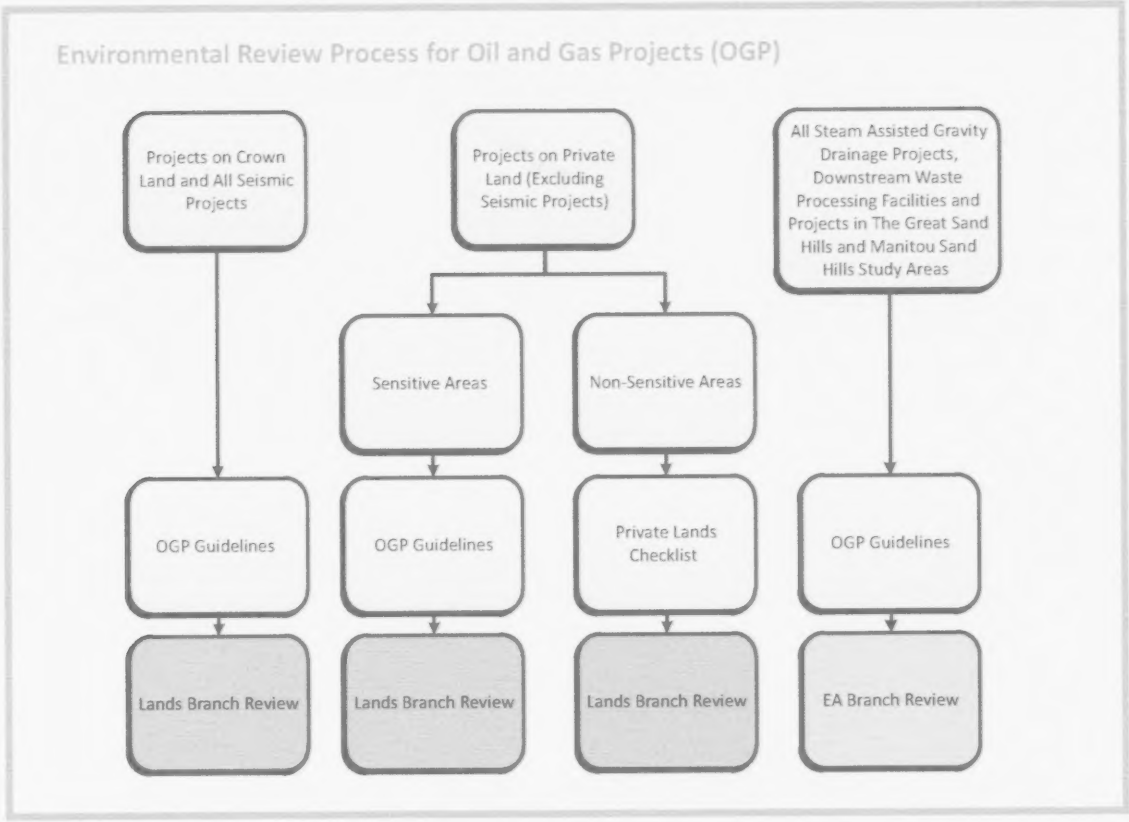


REGULATORY DEVELOPMENT

Guidelines and procedures in accordance with The Environmental Assessment Act were developed, which will lead to improved efficiency aligning with the ministry's results-based regulatory framework. These guidelines are designed to provide proponents, their employees and consultants with the necessary information and processes required in all stages of a proposed development and will assist in moving it efficiently through the system.

Technical Proposal Guidelines (TPGs) applies to new projects and expansions or alterations of an existing project, which have not received prior Ministerial Approval. TPGs enable the proponent to self-assess their proposed project to determine if it is required to go through the EA process, prior to submitting to EAB, which will reduce the screening time in the ministry. It also provides information on the general requirements for preparing a technical proposal if it is to be submitted to the environmental assessment branch.

Environmental Review Guidelines for Oil and Gas Activities provides guidance on the appropriate level of review required for oil and gas activities, and requirements for an Oil and Gas Project Proposal (OGP) to be submitted to either Lands Branch or Environmental Assessment Branch. These clear and predictable processes will allow for a more effective and timely review of the growing number of projects resulting from increased oil and gas development while promoting sustainable development practices.


Environmental Review Process for Oil and Gas Projects (OGP)
Projects on Crown Land and All Seismic Projects
Projects on Private Land (Excluding Seismic Projects)
All Steam Assisted Gravity Drainage Projects, Downstream Waste Processing Facilities and Projects in The Great Sand Hills and Manitou Sand Hills Study Areas
Sensitive Areas
Non-Sensitive Areas
OGP Guidelines
OGP Guidelines
Private Lands Checklist
OGP Guidelines
Lands Branch Review
Lands Branch Review
Lands Branch Review
EA Branch Review

Working with the oil and gas sector has allowed the ministry to provide more clear direction on regulatory processes and to standardize environmental protection measures.

Guidelines for the Preparation of the Terms of Reference inform proponents of their responsibilities in developing a Terms of Reference document for a proposed project, which is required to go through the environmental assessment review process. The template serves as a general starting point and outline from which proponents will build the document that will guide the conduct of the EIA and preparation of the EIS for their project.

Having proponents own the process for developing the terms of reference reduces delays previously experienced when EAB and Saskatchewan Environmental Assessment Review Panel (SEARP) were responsible for drafting project specific guidelines.

Proponents Guide: Consultation with First Nations and Métis on Saskatchewan Environmental Impact Assessment informs proponents on the duty to consult in relation to environmental assessment in Saskatchewan and expectations for proponent engagement and consultation with First Nations and Métis communities. As a result of the Lean initiative, a need for increased guidance and clarity to proponents on duty to consult was identified.

Technical Review Guidelines defines the technical review process for environmental impact assessments in Saskatchewan. This is to clarify the role of SEARP for their members as well as proponents.

Outcomes

The expected outcomes of Regulatory Development include:

- Increased certainty and predictability for industry
- Improved consistency and transparency in regulatory processes
- A decrease in non-development proposals submitted to the EAB
- An increase in EAB's focus on higher-risk projects

REVIEW OF THE CANADIAN ENVIRONMENTAL ASSESSMENT ACT

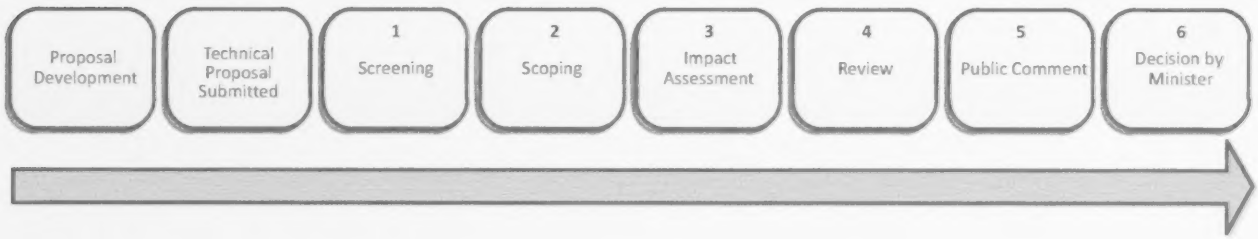
In 2011, the federal government conducted a statutory review of the Canadian Environmental Assessment Act (CEAA). In March of this past year the ministry presented a proposal to the House of Commons Standing Committee on Environment and Sustainable Development, aimed to improve environmental assessment in Saskatchewan. The proposal put forth a vision of "one project - one assessment". It was recommended to the Standing Committee that Saskatchewan's environmental assessment process be acknowledged as equivalent to the federal process for Comprehensive Study level reviews; that projects on provincial lands receive a blanket exclusion from all CEAA screening level triggers; that bilateral agreements on environmental cooperation negotiated by CEAA are considered legally binding on all other federal authorities; and, proactive and efficient measures be introduced that enhance the predictably and consistency of the federal EA process and provide incentives for projects to improve environmental performance. Discussion on the Standing Committee's report findings is currently underway.

ENVIRONMENTAL IMPACT ASSESSMENT PROCESS

As a result of Lean, the environmental impact assessment process has been streamlined to reduce times in the screening process, and at the same time, to increase the role of the proponent in the scoping of projects. The graphic on the next page presents a clear and concise breakdown of the EA process.

Once a proponent creates and submits a technical proposal to the Environmental Assessment Branch, there are six stages in the Environmental Impact Assessment process.

Environmental Assessment Process Overview



1. Screening

EAB will conduct a review of the proposal, which is called a screening. The screening of a proposal is a case-by-case evaluation of the facts surrounding the potential environmental impacts of a proposed project. During the screening process, it will be determined whether or not the project is a development as defined under the Act, and is required to undergo an Environmental Impact Assessment (EIA).

2. Scoping

Scoping identifies the key impacts to be studied and establishes the terms of reference for an EIA. The terms of reference will outline the specific studies that the proponent will undertake and the information that is required as part of the EIA, and how this information will be presented and evaluated in the Environmental Impact Statement (EIS).

3. Impact Assessment

During the impact assessment stage, the proponent conducts appropriate studies as identified in the terms of reference and drafts the environmental impact statement to be submitted to the EAB for review.

4. Technical Review

When the EAB receives an EIS, an EA Administrator coordinates an interdepartmental and intergovernmental technical review of the EIS. The technical review draws on expertise from the provincial government through the Saskatchewan Environmental Assessment Review Panel (SEARP).

5. Public Comment

Public participation is an important part of the EA process. Following the completion of the technical review, the EIS and the Ministry's Technical Review Comments are released and the government issues a public notice typically asking for comments over a 30 day period.

6. Minister's Decision

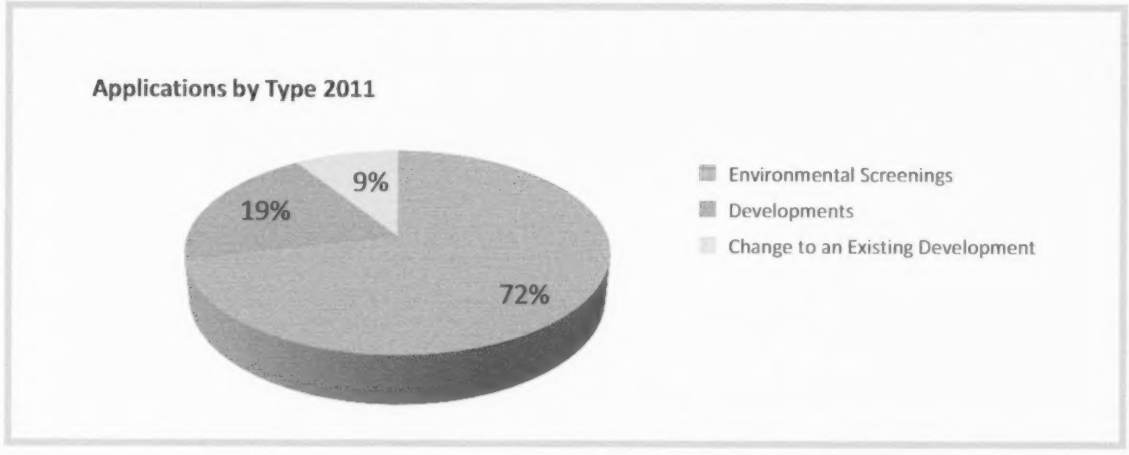
Ultimately, the Minister must decide whether there will be adequate safeguards and protections for the environment, if a development proceeds. The Minister can approve the development, impose terms and conditions on any approval or refuse approval altogether. Ministerial accountability is legislated through The Environmental Assessment Act, and the Minister must provide written reasons to all interested parties explaining the decision reached regarding a development.

OVERVIEW OF APPLICATION TYPES FOR 2011

In 2011, the Environmental Assessment Branch received 68 new technical proposals. As of December 31, 2011, 12% of those were deemed to be a development or a change to an existing development, as per criteria outlined in The Environmental Assessment Act. The remaining proposals are continuing through the screening process in order to reach an opinion.

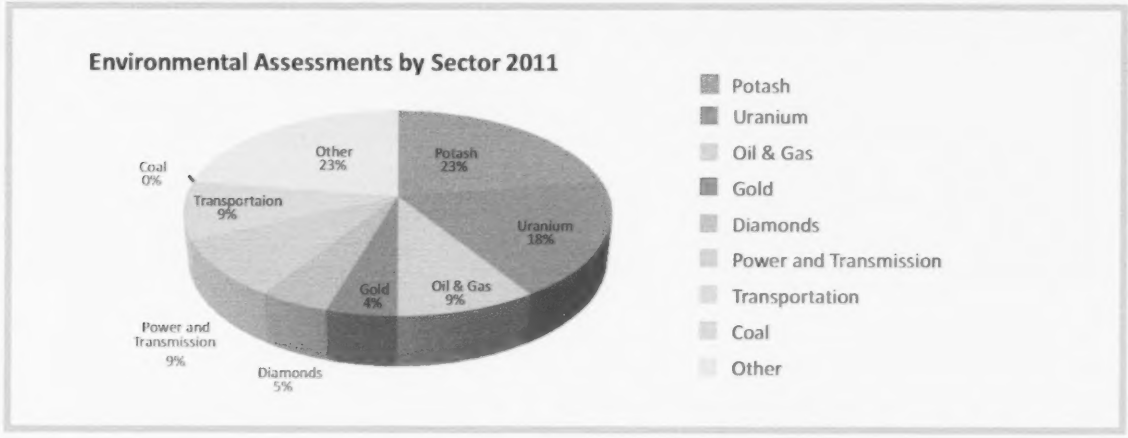
Proposals reviewed by the EAB in a given year also include those carried over from previous years as well as new proposals. In 2011, 72% of all project proposals reviewed by the Branch were environmental screenings deemed not to be developments; 19% were developments that required an EIA; and, 9% were considered to be a change to an existing development that required a Ministerial Approval to proceed.

The figure below depicts the type of all proposed projects on file at EAB during 2011

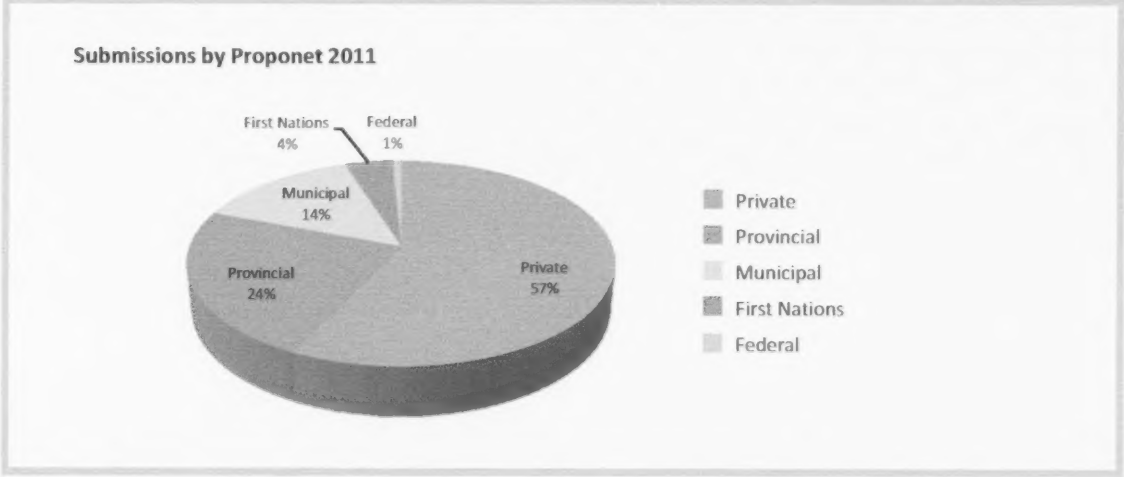


According to industrial sectors, the mining of potash (23%) and uranium (18%) make up the majority of projects requiring an EIS in 2011. Oil and gas projects, power and transmission projects and transportation projects followed at 9% respectively. Sectors that make up the "other" category (23%) include, aquaculture, forestry and strategic policy plans.

The figures below depicts the distribution of environmental assessments among industry types during 2011.



Proponents of projects submitted to the Environmental Assessment Branch are divided among private enterprise, governments including provincial, municipal, federal and First Nations. The figure below depicts the distribution of applications by proponent type for proposals under review during 2011.



Map of Active and Completed Applications in 2011

Active Environmental Assessments

	File #
2	2005-202
4	2007-068
5	2007-190
6	2008-009
7	2008-089
10	2009-018
11	2009-041
12	2009-070
13	2009-093
16	2010-007
15	2010-005
17	2010-009
18	2010-032
21	2010-064
22	2010-066
26	2011-003
29	2011-043
31	2011-054

Completed Environmental Assessments

1	2005-190
8	2008-102
20	2010-062
23	2010-097

Active Change in Developments

	File #
3	2005-207
14	2010-002
28	2011-033
32	2011-064

Completed Change in Developments

9	2009-003
19	2010-057
24	2010-100
25	2010-106
27	2011-010
30	2011-047

Active Environmental Assessments as of December 2011

The following environmental assessment status updates are provided as of December 31st 2011.

EA	Proponent	Project Type	Date Received	Project Status
2005-202	Black Lake First Nation	Hydroelectric	15-Dec-05	Proponent working with partners to advance the EIA
2007-068	Saskatchewan Research Council/Ministry of Energy and Resources	Gunner Uranium Mine Rehabilitation	30-Apr-07	Proponent revising draft EIS following technical review
2007-190	Canadian Natural Resources Ltd.	Natural Gas Project	15-Dec-07	Proponent to provide revised EIS
2008-009	Ministry of Tourism, Parks, Culture and Sport	Prescribed Burn Plan – Douglas Provincial Park	21-Feb-08	Proponent conducting research and feasibility study on proposed approach for a provincial burn program
2008-89	Shore Gold Inc.	Diamond Mine	3-Nov-08	Proponent coducting additional research and revising draft EIS
2009-018	Karnalyte Resources Inc.	Potash and Magnesia Mine	16-Jan-09	EIS undergoing technical review with SEARP
2009-041	Saskatchewan Research Council/Ministry of Energy and Resources	Lorado Uranium Mine Rehabilitation	25-May-09	Proponent is drafting EIS
2009-070	Cameco Corporation	Uranium Mine	10-Aug-09	Proponent is drafting EIS
2009-093	Premier Horticulture Ltd.	Peat Harvesting	1-Oct-09	Proponent is drafting EIS
2010-005	Ministry of Highways and Infrastructure	Northern Roadway Construction Lake Athabasca	14-Jan-10	Proponent is drafting EIS
2010-007	Ministry of Highways and Infrastructure	Northern Roadway Construction McArthur River	15-Jan-10	Recommendation for Ministerial decision submitted to Minister
2010-009	AREVA Resources Canada Inc.	Uranium Ore Transport	17-Feb-10	Proponent is drafting EIS
2010-032	Oilsands Quest Sask Inc.	Bitumen Production	5-May-10	EIA on hold at request of Proponent
2010-064	Fortune Minerals Ltd.	Metal Processing	10-Aug-10	Proponent is to provide revised EIS

EA	Proponent	Project Type	Date Received	Project Status
2010-066	Golden Band Resources Inc.	Gold Mine	14-Sep-10	EAB reviewing comments received during EIS review period
2011-003	Algonquin Power and Utilities Corp.	Hydroelectric	22-Dec-10	Proponent to provide revised EIS
2011-043	Vale Potash Canada	Potash Mine	31-Aug-11	Draft Terms of Reference under review by EAB
2011-054	Western Potash Corp.	Potash Mine	12-Oct-11	Proposal undergoing technical review

Completed Environmental Assessments as of December 2011

EA	Proponent	Project Type	Date Received	Date Completed
2005-190	Wildwest Steelhead	Aquaculture	5-Sep-05	16-Aug-11
2008-102	BHP Billiton	Potash Mine	27-Nov-08	29-Jun-11
2010-062	Mosaic Potash Esterhazy	Potash Mine	23-Aug-10	25-Mar-11
2010-097	Saskatchewan Watershed Authority	Emergency Flood Protection Measures - Fishing Lake	10-Nov-10	4-Jan-11

MOVING FORWARD

The past year was one of progress and change for the Environmental Assessment Branch. As we move towards implementing the strategic vision outlined early in 2011, there is much work to be done. In February 2012, staff will be hosting consultation sessions with industry and other government agencies and ministries to discuss the newly developed guidelines and application process. It is our intent to have these policies and processes implemented by the end of March 2012. Implementation of the new policy guidelines and EA process will assist in supporting changes to The Environmental Assessment Act (EA Act), which is anticipated to come into effect once the amended EA Act receives Royal Proclamation in the summer of 2012. Proclamation of amendments to the EA Act will improve legal certainty through formal Ministerial Determinations; provide a strong compliance assurance and enforcement regime; improve the efficiency of the EA process; clarify the Minister's authority and responsibilities; and support the successful implementation of a results-based regulatory model for the Ministry.

In 2005, the governments of Canada and Saskatchewan signed the Canada-Saskatchewan Agreement (Agreement) on Environmental Assessment Coordination. This bilateral agreement was signed to improve federal-provincial cooperation on projects subject to both the *Canadian Environmental Assessment Act* (CEAA) and The Environmental Assessment Act (Saskatchewan). The Environmental Assessment Branch continues to works towards efficient harmonization of joint EA reviews under this agreement. In line with the Agreement, the EA Branch will meet with the Canadian Environmental Assessment Agency in 2012, to renew and update the cooperative agreement.

The Environmental Assessment Branch has achieved many accomplishments in the past year and looks forward to the challenges ahead in 2012.